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PRESIDENTIAL LIBRARIES: UNEXPLORED FUNDING ALTERNATIVES

THIRTIETH REPORT

BY THE

COMMITTEE ON GOVERNMENT OPERATIONS

Y1.1/8:97-73

AUGUST 12, 1982.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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LETTER OF TRANSMITTAL

HOUSE OF REPRESENTATIVES,
Washington, D.C., August 12, 1982.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: By direction of the Committee on Government Operations, I submit herewith the committee's thirtieth report to the 97th Congress. The committee's report is based on a study made by its Government Information and Individual Right. Subcommittee.

JACK BROOKS,
Chairman.

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97TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 97-732

PRESIDENTIAL LIBRARIES: UNEXPLORED FUNDING ALTERNATIVES

AUGUST 12, 1982.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. BROOKS, from the Committee on Government Operations, submitted the following

THIRTIETH REPORT

BASED ON A STUDY BY THE GOVERNMENT INFORMATION AND INDIVIDUAL RIGHTS SUBCOMMITTEE

On August 10, 1982, the Committee on Government Operations approved and adopted a report entitled "Presidential Libraries: Unexplored Funding Alternatives." The chairman was directed to transmit a copy to the Speaker of the House.

I. INTRODUCTION

During the 96th Congress hearings were held that lead to the introduction of legislation in both Houses designed to stem the proliferation and escalation in cost of maintaining our former Presidents.[1] It was disclosed during those hearings that the cost had grown from approximately $65,000 in 1955 to nearly $22 million in 1981. Of the latter amount, slightly more than one half was identified as attributable to the operation by the National Archives and Records Service [2] of the Presidential Library System;[3] the remainder going for the Secret Service protection, pensions and office expenses.

The 97th Congress has seen the confluence of concern over the cost of Presidential Libraries, for which an ever increasing portion of the Archives budget has been earmarked, and the impact of severe budget cuts

[1] "Cost of Former Presidents to U.S. Taxpayers," Special hearings before the Senate Committees on Appropriations and Governmental Affairs, 96th Cong., 1st Sess., Nov. 6, 7, and 8, 1979. (Hereinafter referred to as Senate Hearings.)

[2] Hereinafter cited as "the Archives".

[3] The characterization of Presidential Libraries as a perquisite to former Presidents may well be inappropriate. While the libraries do serve as depositories for documents pertaining to the service and life of Presidents and frequently have an associated museum, the public is the primary beneficiary of these libraries. Nevertheless, the cost of operating the system is borne by the taxpayer. Therefore, efforts should be made to mitigate these costs.

at the Archives.[4] As was the case in the 96th Congress, legislative proposals addressing the cost of Presidential Libraries has been introduced in the 97th Congress. However, these legislative initiatives focus on limiting the location and/or size and, therefore, cost of future libraries, only.[5] This report examines factors that appear to artificially inflate the cost of the existing libraries and proposes alternatives that would cut the cost to the Nation's taxpayers of existing, as well as future, libraries and which would not require additional legislation.

The Committee proposes that the Administrator of General Services limit any charges assessed the Archives for the cost of operating Presidential libraries to the actual, direct cost incurred by that operation. In addition, and in connection with his commitment to a private sector fund raising effort in support of the Archives, the Administrator should exercise his existing authority to accept gifts and donations to establish endowments for the purpose of maintaining, protecting and improving each Presidential Library.

With vigorous pursuit, this alternative has the potential for saving some $8.4 million in appropriated funds in fiscal year 1983, alone. A portion of the amount saved could then be reprogrammed to mitigate the impact of recent budget cuts on other Archives initiatives.

II. FINDINGS

The Committee finds that:

1. The Presidential Library System has exceeded original estimates in terms of both the number of and cost to operate libraries.

After only 27 years since enactment of the Presidential Libraries Act, there are seven libraries in operation with two more likely to be added in the not too distant future. The cost of operating and maintaining this library system is estimated in the President's FY 83 budget at $14.9 million or in excess of $1.5 million per library. Architects of the Act envisioned only 12 or 15 libraries costing $150,000 each after 100 years.

2. Much of the increase in the cost of the Presidential Library System is artificial—the result of the imposition of inappropriate space rental and unduly large service charges on the Archives by its parent agency, the General Services Administration.

Of the estimated FY 83 cost of $14.9 million for Presidential Libraries, $8.4 million has been earmarked for payment to the GSA-run Federal Building Fund. This $8.4 million assessment represents a combination of so-called standard level user charges (SLUC) and recurring reimbursable costs (RRC). SLUC is the rental rate that the General Services Administration assesses Federal agencies for their assigned space. This rate is composed of a square foot rental rate, an escalation of this rate, and an added charge for standard services and protection. RRC is levied for services over and above those which are defined as standard. Based on information from past years the $8.4 million assessment is most likely attributable one-half to SLUC and one-half to RRC. The SLUC charge is, in turn attributable one-half to rental and one-half to service-related charges.

[4] Testimony and documents referred to herein are printed in "Oversight of the National Archives and Records Service." Hearings before a Subcommittee of the Committee on Government Operations, House of Representatives, 97th Congress, 2nd Session (March 2 and 4, 1982) (Hereinafter cited as "Hearings" (to be printed)).

[5] See H.R. 3904 and S. 1302, 97th Congress; H.R. 7224 and S. 2408, 96th Congress.

The Administrator of General Services agrees that, since Presidential Libraries are built with private funds to serve a specific purpose and then donated to the Government, the rental-related portion of SLUC should not be levied. If the SLUC charge is modified accordingly in FY 83, the estimated cost of the Presidential Library Program could be reduced by approximately $2.1 million.

Moreover, the available evidence indicates the amount assessed the Archives by GSA for standard and other services consistently exceeds the direct cost of those services by 30% or more. By limiting charges for service to actual agency costs, the library program price tag would be further reduced, perhaps by as much as another $2 million.

3. The actual cost of operating and maintaining Presidential Library buildings, could be supported through the establishment of perpetual endowments as adjuncts to the National Archives Trust Fund.

In addition to providing for the acceptance of buildings, land and equipment for use as a Presidential Library, existing law authorizes acceptance by the Administrator of General Services of gifts of money or property for the purpose of maintaining, operating, protecting and improving Presidential Libraries. The law provides any such funds be administered through the National Archives Trust Fund.

The current Administrator has expressed a strong interest in securing private sector donations to support the Archives' programs. To this end, he has enlisted the aid of a prestigious public relations firm and has proposed that the Administration lend its support to the establishment of a nonprofit entity whose mission would be to launch an extensive and continuing organization of private individuals dedicated to financially assisting the Archives.

By combining his interest in fund raising with his existing authority to accept gifts in support of Presidential Libraries, the Administrator could establish library-specific accounts in the Archives Trust Fund. These accounts could serve as perpetual endowments to offset, in whole or part, the need for appropriated funds to cover the actual costs of operating the libraries.

III. RECOMMENDATIONS

1. The Administrator of General Services should limit any Standard Level User or Recurring Reimbursable Charges levied against the Archives for the operation of the Presidential Library System to the actual, direct cost of the services provided.

2. In order to ensure the swift and equitable resolution of any disputes over the nature and/or size of charges levied, the Administrator should establish a conflict resolution mechanism with his office. The Committee should be advised of any disputes requiring the Administrator's attention.

3. The establishment of perpetual endowments to cover the operating of each existing Presidential Library, an authority which the Administrator has under existing law, should be the primary objective of his efforts to garner private sector financial support for Archives programs.

4. The Administrator should advise individuals or groups expressing an interest in establishing a facility to house the documents of any former President that they will be expected to provide an endowment

to cover the estimated cost of operating and maintaining any such facility.

IV. DISCUSSION

A. Evolution of the Presidential Library Program

Although the papers of former Chief Executives of the United States constitute a vitally important part of our Nation's heritage, their management and preservation were largely neglected for the first century and a half of the Republic's existence. Inattentiveness to the maintenance of official papers prevailed within both the fledgling bureaucracy and the White House. Although the Secretary of State bore the responsibility of retaining copies of the most important government documents, lesser papers without immediate administrative significance often disappeared, disintegrated, or were destroyed by design.[6]

Since no national archive was established to receive papers of departing Chief Executives, need, etiquette and politics dictated that they be retained by former Presidents. George Washington took his papers with him to Mount Vernon, thus setting a Presidential precedent.[7] Thus, the papers of a President came generally to be regarded as his personal property.[8] But, as the Federal establishment began to grow, questions arose regarding the propriety and wisdom of this practice. Historians became alarmed that these materials were accidentally lost, destroyed, and often selectively released for scrutiny. Archivists lamented omissions in the national government record which the situation created. Not only might entire files be carried away from the White House, but Presidential correspondence might even be retrieved from departmental files. As it applied to government records, the concept of Presidential papers knew few bounds. This aspect of the practice became particularly acute in the aftermath of the creation of the Executive Office of the President in 1939, in which Franklin D. Roosevelt established a panoply of emergency and war time agencies. All of these served the President in an advisory capacity and could be regarded as producers of "presidential papers." [9] The removal of the holdings of such entities constituted both a records management problem and an administrative continuity difficulty.[10]

Roosevelt sought to alleviate the problems created by the "presidential papers explosion" of his administration by returning them to the public realm through a new type of institution—the Presidential library. The idea apparently germinated in his thinking in 1938. At the time two prototype facilities already were in existence, but both were operated with some degree of private financial support: the Rutherford B. Hayes Memorial Library in Fremont, Ohio, completed in 1914; and the Hoover Library on War, Revolution and Peace, inaugurated at Stanford University in 1919. Later renamed the Hoover Institution on War, Revolution and Peace, this research fa-

[6] See, generally, H. G. Jones. The Records of a Nation. New York. Atheneum. 1969. chapters 1 and 7 (hereinafter cited as Jones); and Donald R. McCoy. The National Archives. Chapel Hill. The University of North Carolina Press. 1978, chapters 1 and 17.

[7] Bernard A. Weisberger. The Paper Trust. American Heritage, v. 22, April 1971. p. 41.

[8] The custom of a President treating the official records of his service as personal property ended with enactment of P.L. 95–591, the Presidential Records Act of 1978.

[9] The bulk of the records of these temporary agencies are divided between the Roosevelt Library and the National Archives in Washington.

[10] "Governing in the Dark." M. B. Schnapper. Washington Star. January 18. 1977.

cility is no longer affiliated with Stanford University and, while it contains many of the public papers of Herbert Hoover, his Presidential records are now located at a Presidential Library in West Branch, Iowa, which has been operated by the General Services Administration since 1962.

In December of 1938, President Roosevelt organized an executive committee which subsequently planned and launched the corporate vehicle and funding structure for the private construction of the library building at Hyde Park, New York. President Roosevelt set down the goals of the Presidential Libraries in a memorandum he prepared for a small group of historians and archivists whom he invited to the White House. The President noted that his career included service as a New York state senator, Assistant Secretary of the Navy, Vice-Presidential candidate, and governor of New York, as well as President of the United States, and that he did not wish his papers to be dispersed. Rather, it was his desire that they be "kept as a whole and intact in their original condition, available to scholars of the future in one definite locality." [11]

Roosevelt envisioned a library consisting not only of his own papers, but also one which would draw from those who shaped the history of the period. Concerning this concept he wrote the following in a memorandum:

> It is my thought that if a building such as I suggest is erected and the material—not only my own but that of others who would contribute their own material—is placed there, the title to the building and all the material would be vested in the United States Government and placed under the primary responsibility of the Archivist of the United States. This would insure permanent care and the provision of adequate facilities for its use.[12]

The Roosevelt Library was created through special legislation (53 Stat. 1062) enacted in 1939. Under this arrangement, the National Archives on July 4, 1940, accepted the completed library building together with such papers and records as Roosevelt, through a deed of gift, offered for deposit. As Presidential documents and materials were donated, they became government property. The facility was opened to the public on June 30, 1941.

A similar pattern of development occurred in the case of the Truman library. By July 1950, a corporation had been chartered in Missouri to organize and finance the construction of the facility. Shortly before leaving the White House, President Truman informed the Administrator of General Services (under which the National Archives had been reorganized in 1949), of his plan to donate his official papers to the Federal Government and to create a Presidential Library for their deposit and use. The Administrator provided storage for the materials at a Kansas City records center where they were arranged and classified by archival personnel.

Before the Truman Library was completed and accepted by the Government, Congress enacted the Presidential Libraries Act of 1955 (69 Stat. 695). Patterned after the joint resolution of 1939 that estab-

[11] James E. O'Neill, "Will Success Spoil the Presidential Libraries?" The American Archivist, v. 36, July 1973, p. 342.
[12] Jones, p. 149.

lished the Roosevelt Library, the new act, P.L. 84–373, authorized the Administrator of General Services to: (1) accept land, buildings, and equipment given to the United States for the purpose of creating a Presidential Library; (2) enter into agreements with any State or institution to utilize land, buildings, and equipment made available, without transfer of title to the United States, as a Presidential archival depository; and (3) accept gifts or bequests of money or other property for the purpose of maintaining, operating, protecting or improving a Presidential Library.

Appearing in support of the Presidential Libraries proposals then under consideration, Dr. Wayne C. Grover, the Archivist of the United States, outlined the benefits of legislation as follows:

> 1. It provides a system for the preservation and use of Presidential papers that accords with our Constitution and traditions;
>
> 2. It enables the Government to acquire, as gifts, expensive archival depositories and equipment that can be used not only for Presidential papers, but also for the preservation of valuable Federal records accumulated outside of Washington;
>
> 3. By establishing important collections of manuscript sources in other parts of the Nation than the Capital, thereby giving local scholars easier access to them, it will stimulate interest in our history and Government; and
>
> 4. It takes into account the growing need for the dispersion of research facilities resulting from the existence of nuclear weapons.[13]

Projected costs of the Presidential Library Program were discussed in the hearings, and the generally agreed upon estimate per library was set at $150,000 per year. One witness envisioned the Presidential Library Program to include 12 to 15 libraries. James N. Milne, Administrative Assistant to the Minority Leader, Joseph W. Martin, testified as follows:

> It is possible that over the next hundred years, 12 or 15 Presidential archival depositories may be constructed, in locations designated by the Presidents of the United States, and donated to the United States Government.
>
> About one-third of the cost of maintenance and administration would probably be offset by receipts from visitors to exhibit rooms. At the end of 100 years, if 15 depositories were constructed, and given to the Government, the annual net operating cost would be about $1.5 million per year.[14]

Archivist Grover used the same $150,000 per year figure in his estimate of the cost of the Presidential Library Program. In his prepared statement Dr. Grover offered the following cost breakdown:

> The chief costs are personal services, that is, the salaries of the professional archival staff and of maintenance and protective personnel, such as guards and janitors. The proposed legislation gives the administrator authority to charge a rea-

[13] "Acceptance and Maintenance of Presidential Libraries," Hearings on H.J. Res. 330, H.J. Res. 331, and H.J. Res. 332, before a Special Subcommittee of the House Committee on Government Operations, 84th Cong., 1st Sess. 32 (1955).

[14] Id., p. 12.

sonable fee for admission to the exhibit rooms and to use moneys so derived for the normal operation of the library. Although it is impossible to make exact predictions in such matters, certain predictions may be made on the basis of the experience both of the Roosevelt Library and the Eisenhower Museum at Abilene. The most careful calculations that it is possible to make at this time appears to indicate that the normal operating costs of a Presidential Library, including maintenance and protection, will be about $150,000 a year. Of this sum it may be anticipated that around $50,000 a year can be offset from fees paid by visitors to the exhibit rooms.[15]

Signed into law on August 12, 1955, the Presidential Libraries Act of 1955 (69 Stat. 695) has provided the statutory basis for all subsequent Presidential Libraries. Facilities were dedicated in the names of Presidents Truman in 1957, Eisenhower in 1962, Hoover in 1962, Johnson in 1971, Kennedy in 1979, and Ford in 1980.

B. Growth of the Presidential Library Program

With the basic statutory framework for the Presidential Library Program established, the operating arrangement of each facility with the General Services Administration evolved over time and varied among the individual libraries. While the Administrator is empowered statutorily to accept the facilities (subject to a 60-day waiting period after submitting a report to Congress), the Office of Presidential Libraries in the Archives is responsible for their operation and maintenance.[16]

The Archives does not become involved in the acquisition of the library facilities; rather, that task is within the province of the General Services Administrator, who has used the flexibility permitted by the statute in negotiating with the donors of each of the libraries. The Roosevelt, Hoover, Truman, Eisenhower, and Kennedy libraries were all accepted as gifts to the Federal Government by the Administrator. By contrast, the University of Texas retained title to the building housing the Lyndon B. Johnson Presidential Library, setting the precedent followed by the University of Michigan for the Gerald Ford Presidential Library. However, the Archives bears the operating and maintenance costs for the latter two, as well as for the other libraries.

The Presidential Libraries Act has provided the Administrator broad authority for determining what constitutes on archival depository, a power which GSA has not interpreted rigidly. The flexibility characterizing the arrangements between GSA, the Presidential Libraries, and the National Park Service illustrates this. For example, the Roosevelt Library, home, and gravesite are all located on the same estate in Hyde Park, New York. The National Archives operates and maintains the Roosevelt Library and museum, but the other buildings and grounds are maintained by the Park Service. While the National Archives operates the Hoover Library in West Branch, Iowa, the Park Service operates the Hoover home and other buildings on the grounds.

On the other hand, the Eisenhower Library is located on the same grounds as the Eisenhower home, museum, visitors center, and Place of

[15] Id., p. 31.
[16] GSA Organizational Manual OFA P5440.1 and Delegations of Authority Manual, ADM P 5450.39.

Meditation, but all of these facilities are operated and maintained by the National Archives. Although President Ford's library and museum are in different locations—Ann Arbor and Grand Rapids respectively—they are both managed by the National Archives.[17]

After only twenty-seven years since enactment of the Presidential Libraries Act, there are now seven libraries. The system is likely to expand in the near future with the addition of facilities to house the records of former Presidents Nixon and Carter. Moreover, it is quite probable that the number of libraries after 100 years of operation will far exceed the 12 to 15 anticipated by Milne and Grover.

C. Cost of Presidential Libraries Raises Concern

As the Presidential Library Program has expanded, so too have its costs increased—far beyond the conservative estimate of $150,000 per library, per year projected in the hearings on the original act. The estimated annual total cost of the program, as shown in Table I, was in excess of $12 million for fiscal year 1981.[18]

TABLE I

[In thousands of dollars]

Presidential Libraries performance costs	1981 actual	1982 estimate	1983 estimate	Change from 1982
Hoover	421	425	478	+53
Roosevelt	560	472	534	+62
Truman	569	542	611	+69
Eisenhower	545	505	570	+65
Kennedy	757	708	800	+92
Johnson	782	731	825	+94
Nixon records	657	610	751	+141
Ford	455	496	560	+64
Carter Presidential materials	762	327	423	+96
White House liaison	142	84	95	+11
Planning and directing	827	600	842	+242
SLUC and recurring reimbursement payments to FBF	5,818	5,976	8,416	+2,440
Total, performance costs	12,295	11,476	14,905	+3,429

The increasing cost of Presidential Libraries, about which representatives of the General Accounting Office have expressed concern, appear to be attributable mainly to inflation and program growth.[19] While there is little that can be suggested to reduce the impact of inflation, per se, upon the Presidential Library system, there are aspects of program cost which, when examined, offer the opportunity for substantial savings through accounting adjustments and new funding mechanisms.

1. Standard level user charges (SLUC)[20] are inappropriate

Among the issues examined when the Subcommittee on Government Information and Individual Rights conducted its general oversight

[17] Senate Hearings, p. 11.

[18] Source: Estimates of appropriation for Fiscal Year 1983—Congressional Justifications, at page R–7. Prepared by the General Services Administration.

[19] See U.S. General Accounting Office letter report B–196835, "Study of Presidential Libraries (LCD–80–27)." December 5, 1979, to House Subcommittee on Government Information and Individual Rights.

[20] SLUC is the rental rate that the General Service Administration charges agencies for their assigned space in GSA-controlled facilities. The SLUC rate is composed of a fair annual rental, which by law approximates the commercial charges for comparable space and services, an escalation of this rate to over anticipated inflation and an added charge for standard protective services. Recurring reimbursable charges (RRC) are levied by GSA for any special services not included in SLUC, e.g., additional utility or protective services made necessary by longer operating hours. See P.L. 92–313.

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hearings on the Archives was the extent to which SLUC was exacerbating the adverse impact of budget cuts at the Archives. The General Accounting Office witness confirmed that "the combined impact of the budget reduction and increased space charges on NARS' programs is substantial." In support of this conclusion, the witness presented a table showing that the space and service charges levied against the Archives had increased from an amount equal to 31% of the Archives' FY 81 budget to approximately 41% of its then-proposed FY 82 budget. It was also evident from the information provided by the General Accounting Office that the situation was not likely to improve in FY 83.[21]

Administrator of General Services Carmen noted in his testimony that "NARS has had to devote an ever-increasing percentage of a relatively fixed budget to the payment of rent in the form of standard level user charges (SLUC) to GSA's Public Building Service."[22] No mention was made, however, of the fact that the percentages and rate of growth of such payments by the Presidential Library Program was even greater than for the Archives generally.[23]

Nevertheless, among the initiatives Carmen announced to "greatly alleviate the NARS SLUC obligation for FY 82" was a comprehensive legal review of whether it was appropriate for the Presidential Libraries to be included in the SLUC system. It had been determined, he said, "that given the special nature of the buildings," no SLUC payments should be imposed and that in the future the Archives would be required to pay only the actual cost of services provided to the libraries.[24] (In effect, the Archives was relieved of its obligation to pay the space rental portion of the SLUC formula.) Carmen said that the $4.7 million saved by this and other SLUC-reduction initiatives would eliminate the need for furloughs of Archives staff during FY 82.[25]

Just how much of the $4.7 million fiscal year 1982 savings is attributable to removing the libraries from the rental portion of the SLUC formula has been difficult to determine. However, using actual fiscal year 1981 figures for library related payments to the Federal Building Fund, it has been determined that the payments are attributable one-half to SLUC and one-half to RRC.[26] Furthermore, a 1980 GSA study of the cost of Presidential Libraries done for the Carter White House indicates that SLUC is divided almost equally between rental rates and expenses.[27]

Employing the same logic, should the Administrator continue on the course charted at the March 4 hearings, there could be a $2.1 million reduction in the estimated $8.4 million fiscal year 1983 combined SLUC/RCC bill for Presidential libraries.

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[21] Hearings (Statement of William Anderson, Director, General Government Division, General Accounting Office).

[22] Hearings (Statement of Administrator of General Services Carmen).

[23] The portion of the Presidential Library Program budget designated for SLUC and RRC was 47% in FY 81, 52% for FY 82 and an estimated 56% for FY 83. See Table I, supra.

[24] Standard Level User Charge—National Archives Building and Presidential Libraries; A Legal Memorandum by GSA Assistant General Counsel Mulligan, March 1, 1982. [Hereinafter cited as Legal Opinion.] Hearing appendix.

[25] Hearings (Statement of GSA Administrator Gerald P. Carmen).

[26] Interview by staff of the Subcommittee on Government Information and Individual Rights with Wolfgang Zoellner, a Public Buildings Service Official (August 12, 1981) and related documents, printed as appendix to Hearings.

[27] White House Presidential Libraries Study, Lawrence S. Cohan, May 16, 1980. Copy in Committee files.

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2. Recurring reimbursable charges (RRC) and other charges are inflated

In addition to the rent-like payments it has had to make for the libraries, the Archives has also been assessed for the operation and maintenance of the physical facility at each library; e.g., utilities, cleaning, minor repairs and physical security. To the extent such services are provided during what most would consider normal working hours, charges are incorporated in SLUC. All other services, of which the long hour libraries require many, are assessed as recurring reimbursable charges (RRC). These operating and maintenance charges account for as much as three-fourths of the combined SLUC and RRC payment.

The issue of the extent to which service charge assessments might be inflated beyond actual cost arose when a review of the legal memorandum addressing the necessity of rental charges disclosed the following statement:

> Because the amounts deposited into the Fund for payment of SLUC for the facilities in question substantially exceed the cost of operation and maintenance, and because benefits, if any, received by the buildings by way of new facilities or modernization of existing facilities is minimal and excessively disproportionate to the contributions made, it can be argued that the Archives' budget is not a valid performance budget.[28]

When queried about how much of what the Archives paid in the way of SLUC and RCC was actually spent on Archives facilities, Carmen replied that:

> The charges called Standard Level User Charges [SLUC] are by law designed to approximate commercial charges for comparable space and services found in the private sector. A prevalent misconception is that the SLUC charged agencies should be related to BSA's legislation specifically provides that SLUC income in excess of operational type costs would be used to support the Federal construction and major repairs and alterations programs. Therefore, PBS' spending on NARS facilities does not approximate the amount of SLUC paid by NARS. PBS estimated that during fiscal year 1982 they would spend 49 percent of what NARS paid in SLUC for the National Archives Building and the Presidential Libraries on those buildings and during fiscal year 1983 they expected to spend 72 percent of what NARS would pay in SLUC for the buildings.[29]

In addition, the Committee had received reports that for at least one facility—the Ford Library Building in Ann Arbor, Michigan—the Archives had been assessed almost three times the actual cost of the services provided. Confirmation of such an occurrence, obtained by GAO at the Committee's request disclosed the following: [30]

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[28] Legal Opinion at 2.
[29] Hearings (Statement of GAS Administrator Gerald P. Carmen.)
[30] Letter from C. Weiher, Acting Assistant Archivist for Program Support to J. Butcher, GAO (February 24, 1982), printed in appendix to Hearings.

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Estimated operating costs

1. PBS contracts for services. These contracts are now being renegotiated for the coming contract period.

Service and period	*Cost*
Custodial, June 1, 1981 to May 31, 1982	$53,174.52
Mechanical, June 1, 1981 to May 31, 1982	34,680.80
Elevator maintenance, June 1, 1981 to May 31, 1982	2,160.00
Alarm system, June 1, 1981 to May 31, 1982	9,900.00
Security patrol, October 1, 1981 to September 30, 1982	4,560.00
Total PBS contracts	104,575.32

2. Estimated yearly costs:

Electricity	48,000.00
Gas	24,000.00
Water	4,000.00
Total estimated operating cost	180,475.32

SLUC

The standard level user charge paid by NARS for the above services for the Ford Library Building:

Fiscal year 1981 actual: $512,833.

Fiscal year 1982 projection from 1st and 2d quarter billings: $509,352.

Assuming the Ford Library situation is not as it appears or is simply some type of gross aberration, the fact remains that operating and maintenance services provided to Presidential Libraries in FY 83 will cost only 72% of what the Archives will be required to pay. By limiting the assessment for operating and maintenance charges to the actual cost of the services provided would result in a further reduction of almost $2 million in the estimated FY 83 cost to the Archives of the Presidential Libraries Program.[31]

Combined with reductions resulting in the determination that rent need not be paid for Presidential Libraries, limiting payments for services to actual cost would halve the anticipated $8.4 million SLUC-RRC FY 83 bill.

3. Funding the remaining, actual operating cost of Presidential Libraries

> We believe that a high level and well coordinated effort to secure such outside funding would result in an increased awareness of and support for the Archives and its programs. I have begun an initiative with the prestigious firm of Gray and Company, at no cost to the Government, to launch an extensive and continuing organization of private individuals dedicated to financially assisting the Archives in the areas of public exhibits, preservation, and support of the NHPRC grants program. I will provide the Committee with greater detail on this subject as our actions progress.

said Administrator Carmen when he testified on March 4.[32]

[31] Three-fourths or $6.3 million of the approximately $8.4 million fiscal year 1983 SLUC–RCC estimate for Presidential Libraries is based on past experience, for services (as opposed to fees for space). Limiting payments to 72 percent of this amount would result in a $1.9 million reduction.

[32] Hearings (Statement of GSA Administrator Gerald P. Carmen.)

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In the four months that have passed since the announcement, little has been heard about this initiative. The only official communication, on May 5, advised that Gray and Company representatives had visited the Archives and were developing a proposal.[33] Unofficial reports indicate a plan for the establishment of a private nonprofit fund raising group had been submitted to the White House.[34]

The very existence of the National Archives Trust Fund is evidence of a longstanding congressional [35] endorsement of private support for the Archives. That this support extends, specifically, to Presidential Libraries can be seen in existing law which provides that—

> (g) When the Administrator considers it to be in the public interest, he may accept gifts or bequests of money or other property for the purpose of maintaining, operating, protecting, or improving a Presidential archival depository. The proceeds of gifts or bequests . . . shall be paid into the National Archives Trust Fund to be held, administered, and extended for the benefit and in the interest of *the* Presidential archival depository in connection with which they were received, including administrative and custodial expenses as the Administrator determines.[36]

Success in establishing endowments would obviate the need for legislation to cut the rate of growth in the cost of Presidential Libraries through the imposition of size or location limitations. Furthermore, success in establishing endowments is more likely under the current system which, with its flexibility in locating and designing Presidential Libraries, is more apt to benefit from the support of a former President's associates and admirers.

The Committee applauds the Administrator's initiative and recommends that his fund raising effort be directed toward establishing perpetual endowments to offset the on-going operating costs of each existing and all future libraries.

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[33] Letter from GSA Administrator Gerald P. Carmen to Representative English (May 5, 1982), printed as appendix to Hearings.

[34] Interview by the staff of the Subcommittee on Government Information and Individual Rights with David Peterson, an Archives Official on July 30, 1982.

[35] The NARS Trust Fund was created by Congress on July 9, 1941, primarily to handle gifts and other bequests for the general benefit of the National Archives. In June 1948 the Archivist was authorized to charge fees for furnishing reproductions of archival records and materials and to deposit proceeds in the trust fund. See 44 U.S.C. 2301 et seq.

[36] 44 U.S.C. 2108(g).

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